

101 Park Avenue
New York, NY 10178-0060
212-309-6000
Fax: 212-309-6273

RECORDATION NO. *19376-1*

FILED

JAN 13 '99

1-25 PM

**Morgan, Lewis
& Bockius LLP**
COUNSELORS AT LAW

Sandra F. Miller
(212) 309-6037

January 12, 1999

Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Room 715
Washington, D.C. 20423-0001

Re: Documents for Recordation-
Nichimen America Inc. Transferee Assumption Agreement
dated as of January 1, 1999

Dear Secretary:

I have enclosed two originals and one copy of the document described below to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code. This document is an assignment of an interest in the railroad equipment and a "secondary document" dated January 1, 1999. The "primary document" to which this is connected is recorded under Recordation No. 19376. We request that this assignment be cross-indexed.

A. Description of Document to be Recorded

Assignment, dated as of January 1, 1999, covering a beneficial interest in the railroad equipment and connected to the Lease Agreement with Recordation No. 19376, between:

Nichimen America Inc., as Assignor of its Beneficial Interest
connected to the Lease Agreement recorded under Recordation No. 19376
1345 Avenue of the Americas
New York, New York 10105-0302

and

NY02B/35305.2

Philadelphia Washington New York Los Angeles Miami Harrisburg Pittsburgh Princeton
London Brussels Frankfurt Tokyo Singapore Jakarta

Office of the Secretary
January 12, 1999
Page 2

Nichimen America Capital Corporation, as Assignee of the Beneficiary's Beneficial Interest connected to the Lease Agreement recorded under Recordation No. 19376
1345 Avenue of the Americas
New York, New York 10105-0302

B. Description of the Equipment

The leased railroad equipment covered by this transaction is each and every one of the 487 railcars recorded under Recordation No. 19376.

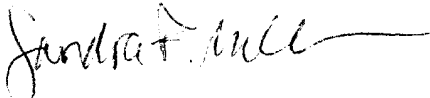
C. Summary of the Document to Appear in the Index

Assignment, dated January 1, 1999, between Nichimen America Inc., as Assignor, and Nichimen America Capital Corporation, as Assignee, and covering a beneficial interest in the railroad equipment and connected to the Lease Agreement with Recordation No. 19376.

A filing fee of \$26 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Sandra F. Miller, Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, N.Y. 10178.

Thank you for your assistance in this matter.

Sincerely,



Sandra F. Miller

sfm:rr

Enclosure

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

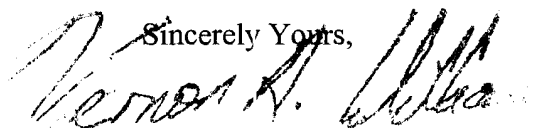
OFFICE OF THE SECRETARY

Sandra F. Miller
Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10178-0060

Dear Sir:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.
11301 and CFR 1177.3 (c), on 1/13/99 at 1:25PM, and
assigned recordation numbers (s): 19376-I.

Sincerely Yours,

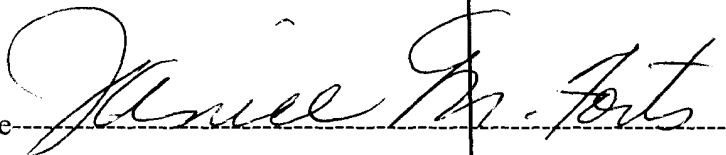


Vernon A. Williams

Enclosure(s)
26.00

\$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature



RECORDATION NO. 9376-I FILED

JAN 13 '99

1-25 PM

TRANSFeree ASSUMPTION AGREEMENT

THIS TRANSFeree ASSUMPTION AGREEMENT (this "Assumption Agreement") is made by Nichimen America Capital Corporation, a New York corporation (the "Transferee"), and Nichimen America Inc., a New York corporation (the "Transferor"), on January 1, 1999.

WITNESSETH:

WHEREAS, the Transferor is party to that certain Participation Agreement, dated as of March 31, 1995, among the Transferor, Detroit Edison Company (the "Lessee"), First Security Bank, National Association (formerly know as First Security Bank of Utah, National Association) (the "Trustee"), Allstate Life Insurance Company of New York and Allstate Life Insurance Company (the "Note Purchasers"), and Wilmington Trust Company (the "Security Trustee"), as heretofore and hereafter amended from time to time (the "Participation Agreement");

WHEREAS, subject to the terms and conditions hereof, pursuant to Section 3.6(d) of the Participation Agreement and Section 5.7 of the Trust Agreement, the Transferor desires to transfer all of its right, title and interest in and to the Equipment and the Operative Agreements to which the Transferor is a party to the Transferee and the Transferee desires to acquire all of such right, title and interest in and to the Equipment and the Operative Agreements;

WHEREAS, subject to the terms and conditions hereof, pursuant to Section 3.6(d) of the Participation Agreement and Section 5.7 of the Trust Agreement the Transferee is required, inter alia, to become a party to the Participation Agreement and to all of the other Operative Agreements to which the Transferor is a party, to provide all of the representations, warranties and agreements set forth in Section 2 hereof and to be bound by all of the terms of, and to undertake all of the obligations of the Transferor contained in the Operative Agreements, and the Transferor acknowledges and consents to the assumption of such agreements and obligations by the Transferee;

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

Section 1. Definitions.

Capitalized terms used but not defined herein shall, except as such definitions may be specifically modified in the body of this Agreement for the purposes of a particular section, paragraph or clause, have the meanings given such terms in Annex A to the Participation Agreement.

Section 2. Agreements.

(a) Transfer and Assumption.

Pursuant to Section 3.6(d) of the Participation Agreement and Section 5.7 of the Trust Agreement (i) the Transferor hereby sells, transfers and assigns to the Transferee all of its right, title and interest in and to the Equipment and the Operative Agreements and (ii) the Transferee hereby (A) purchases and assumes all of such right, title and interest in and to the Equipment and the Operative Agreements, (B) confirms that it shall be deemed a party to each of the Operative Agreements to which the Transferor is a party and (C) agrees to be bound by all the terms of, and undertakes and assumes all the duties, liabilities and obligations of the Transferor contained in such Operative Agreements; provided that the Transferor's rights to indemnification under Sections 6 and 7 of the Participation Agreement to the extent relating to acts, conditions or events occurring or existing prior to the date hereof shall be retained in full by the Transferor. The rights so transferred are hereinafter called the "Interest".

Transferor and Transferee hereby confirm that Transferee shall, with respect to the Interest, be entitled to all rights and benefits and be subject to all duties, liabilities and obligations and responsibilities of Transferor with respect to such Interest under the Operative Agreements, as though the Transferee had been Transferor as of the Closing Date. Upon consummation of the transfer of the Interest, Transferor will be relieved of and Transferee will thereupon assume all duties, liabilities and obligations of Transferor with respect to the Interest.

(b) Representations and Warranties of Transferee.

Transferee, for the benefit of the Transferor, the Lessee, the Owner Trustee, the Note Purchasers and the Security Trustee, hereby represents and warrants on the date hereof that:

(i) The Transferee is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.

(ii) The Transferee has the corporate power and authority and all necessary licenses and permits to enter into this Assumption Agreement and to perform each and all of the matters and things provided for it to perform in said instrument, and such execution, delivery and performance do not and will not contravene any law or any order of any court or governmental

authority or agency applicable to or binding on the Transferee, or contravene the provisions of, or constitute a default under, its charter documents, by-laws or any indenture, mortgage, contract or other agreement or instrument to which the Transferee is a party or by which it or any of its property may be bound or affected.

(iii) This Assumption Agreement has been duly authorized by all necessary corporate action on the part of the Transferee, has been duly executed and delivered by the Transferee and constitute the legal, valid and binding obligation, contract and agreement of the Transferee enforceable against the Transferee in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general principles of equity including the discretion of the court before which any proceeding may be brought (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(iv) There are no proceedings pending, or to the knowledge of the Transferee threatened, against or involving the Transferee in any court or before any governmental authority or arbitration board or tribunal which, if adversely determined, would individually or in the aggregate materially and adversely affect the Equipment or the ability of the Transferee to enter into and perform under this Assumption Agreement.

(v) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery or performance by the Transferee of this Assumption Agreement.

(vi) The Transferee is not in default with respect to any order of any court or governmental authority or arbitration board or tribunal which would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of the Transferee or the ability of the Transferee to perform under this Assumption Agreement. No Default or Event of Default caused by the Transferee under the Security Agreement has occurred and is continuing, and the Transferee is not in violation in any material respect of any term of any of the Owner Participant Agreement.

(vii) The Trust Estate is free of liens and rights of others resulting from claims against the Transferee not related to the transactions contemplated by the Operative Agreements.

(viii) Neither the Transferee nor any person authorized or employed by the Transferee as its agent or otherwise in connection with the placement of the Beneficial Interest or any similar Security or any of the Notes or any similar Security (i) has offered any of the Beneficial Interest or any similar Security or any of the Notes or any similar Security for sale to, or solicited offers to buy any thereof from, or otherwise approached or negotiated with respect thereto with, any prospective purchaser, or (ii) will offer any of the Beneficial Interest or any similar Security or any of the Notes or any similar Security for sale to, or solicit any offers to buy

any thereof from, or otherwise approach or negotiate with respect thereto with, any prospective purchaser, in the case of either (i) or (ii) above, so as to bring the issuance and sale of the Beneficial Interest or any of the Notes within the provisions of Section 5 of the Securities Act of 1933, as amended.

(ix) The Transferee is purchasing the Beneficial Interest for its own account for investment and not with a view to distribution or resale thereof, and it has no present intention of selling, negotiating or otherwise disposing of the Beneficial Interest; *provided*, that the disposition of this property shall at all times be and remain within its control; *provided, further, however*, that such disposition shall comply with the provisions of Section 3.6(d) of the Participation Agreement

(x) Either (x) no part of the funds used or to be used by the Transferee to acquire the Beneficial Interest constitutes the assets of any “*employee benefit plan*” (as defined in Section 3(3) of ERISA) or any “*plan*” (as defined in Section 4975(e) of the Code) or any plan governed by state laws similar to ERISA or (y) if any part of such funds constitute assets of any employee benefit plan, that such acquisition will not result in a non-exempt “*prohibited transaction*” (as defined in Section 406 of ERISA or Section 4975 of the Code) with respect to any such plan.

(xi) The Transferee is not be a direct competitor (as used in this section, competitor means a Person that either (i) is a public utility and has service territory contiguous to Lessee’s service area or (ii) competes with Lessee in the generation and/or transmission of electrical power) of the Lessee or its assignee.

Section 3. Reliance.

The representations, warranties, covenants and agreements of the Transferee made herein are made for the benefit of and may be relied upon by the Owner Trustee, the Lessee, the Loan Participant and the Indenture Trustee.

Section 4. Miscellaneous.

(a) Notices.

The address of Transferee, for notices and payments under the Operative Agreements, is until further notice, as follows:

Nichimen America Capital Corporation
1345 Avenue of the Americas
New York, New York 10105-0302

(b) Governing Law.

THIS ASSUMPTION AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE WITHOUT REFERENCE TO ANY CONFLICT OF LAW RULES WHICH MIGHT LEAD TO THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION. THIS ASSUMPTION AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK.

(c) Counterparts.

This Assumption Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

(d) Benefit and Binding Effect.

The terms of this Assumption Agreement shall be binding upon, and shall inure to the benefit of, the Transferor and Transferee and their respective successors and permitted assigns.

(e) Entire Agreement.

This Agreement, together with the agreements, instruments and other documents required to be executed and delivered in connection herewith, represents the entire agreement between the Transferor and the Transferee and supersedes all prior agreements and understanding of the Transferor and the Transferee with respect to the subject matter covered hereby.

(f) Certain Assurances.

Each of the Transferor and the Transferee shall do, execute, acknowledge and deliver, or shall cause to be done, executed, acknowledged and delivered, all such further acts, conveyances and assurances as any party to the Participation Agreement shall reasonably require for accomplishing the purposes of and carrying out obligations of such party under this Assumption Agreement and the other Operative Agreements.

IN WITNESS WHEREOF, the undersigned has caused this Transferee Assumption Agreement to be duly executed by its officer thereunto duly authorized on the day and year first above written.

Nichimen America Capital
Corporation

By: 

Name: Y. Furusawa

Title: President

Nichimen America Inc.


By: 

Name: H. Yoshikawa


Title: President

Acknowledgment

I, Yoichi Furasuwa, certify that I am the President of Nichimen America Capital Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare (certify, verify or state) under penalty of perjury that the foregoing is true and correct. Executed on January 1, 1999.


Yoichi Furasuwa

I, Hiroshi Yoshikawa, certify that I am the President of Nichimen America Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare (certify, verify or state) under penalty of perjury that the foregoing is true and correct. Executed on January 1, 1999.


Hiroshi Yoshikawa